

Transformation of the Ugly Brown Building

Regeneris Consulting
Regeneration Statement

September 2017



Transformation of the Ugly Brown : Regeneration Statement

September 2017

www.regeneris.co.uk

Contents Page

1.	Introduction	4
	Preamble	4
	Purpose of this Document	4
	Proposed Development	5

2.	Socio-Economic Context	6
-----------	-------------------------------	----------

3.	Estimation of Economic Benefits	14
	Existing Uses on Application Site	14
	Future Construction Impacts	14
	Future Operational Impacts	15

4.	Contribution to Regeneration and Competitiveness	17
	Delivering Against Local Regeneration Policy	17
	Supporting Jobs and Participation	19
	Delivering an Appropriate Housing Offer	21
	Supporting Retail, Leisure and Amenity	21
	Creating a Stronger and Diverse Business Base	23
	Creating a Better Place	24

5.	Summary of Benefits	26
-----------	----------------------------	-----------

Appendix A - Method for Calculating Future Impacts

1. Introduction

Preamble

- 1.1 This Regeneration Statement has been prepared by Regeneris Consulting to accompany the application for planning permission submitted on behalf of Reef Estates Limited (hereafter referred to as the 'Applicant') for the proposed Transformation of the Ugly Brown Building development (hereafter referred to as the 'Proposed Development').
- 1.2 Detailed planning permission is sought for the phased mixed-use redevelopment and 'Transformation of the Ugly Brown Building' site (hereafter referred to as the 'Site'). The Application Site is 1.14 hectares (ha) and is located within the London Borough of Camden (LBC).
- 1.3 The Description of the Development proposed is as follows:
- 1.4 Demolition of the existing building and erection of 6 new buildings ranging in height from 2 storeys to 12 storeys in height above ground and 2 basement levels comprising a mixed-use business floorspace (B1), residential (C3), hotel (C1), gym (D2), flexible retail (A1-A4) and storage space (B8) development with associated landscaping work.

Purpose of this Document

- 1.5 The Proposed Development will deliver a new headquarters for Ted Baker, replacing their existing offices with new high-quality office space which can accommodate their future expansion ambitions. The Proposed Development will also provide a new Ted Baker hotel, 69 residential units and a range of flexible commercial and retail space.
- 1.6 The Proposed Development is located on the periphery of the Kings Cross – St. Pancras Opportunity Area, which is an area that has experienced significant regeneration over the past 15 years; in particular, St. Pancras International and Granary Square.
- 1.7 The Proposed Development aims to complement the new development at Kings Cross, whilst creating linkages with Camden Town and providing a vibrant route between both destinations.
- 1.8 This **Regeneration Statement** summarises the broad benefits of the development, demonstrating how it will provide a catalyst for the wider regeneration of the area.

Proposed Development

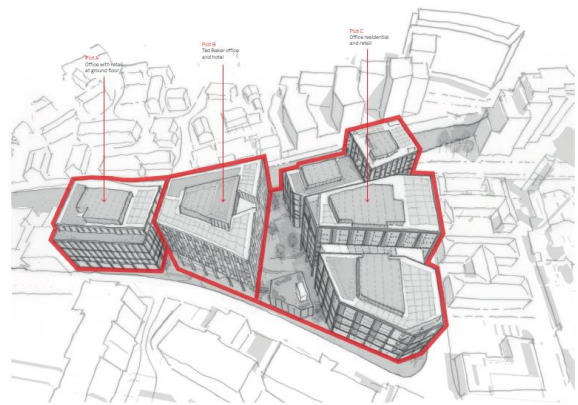
- 1.9 The site covers 1.14 ha of land located within London Borough of Camden and on the edge of the Kings Cross – St. Pancras Opportunity Area. It incorporates the Ted Baker Headquarters and Verizon data centre.
- 1.10 The Proposed Development will deliver 69 new homes (including a number of affordable homes) as well as significant mixed-use space, comprising of the following:
- Flexible retail, food and beverage, office and leisure floorspace
 - A new headquarters for Ted Baker with adjoining Ted Baker Hotel
 - New small unit offices suitable for incubator workspace and makerspace
 - A new gym
 - Significant enhancement to public realm and wayfinding
 - Unlocking of currently inaccessible canal side
- 1.11 The Proposed Development will encompass a range of uses and provide a number of active frontages; ensuring the local area is animated and used both during the daytime and evening time.

Figure 1.1 Vision for Proposed Development



Source: Bennetts Associates

Figure 1.2 Current Scheme

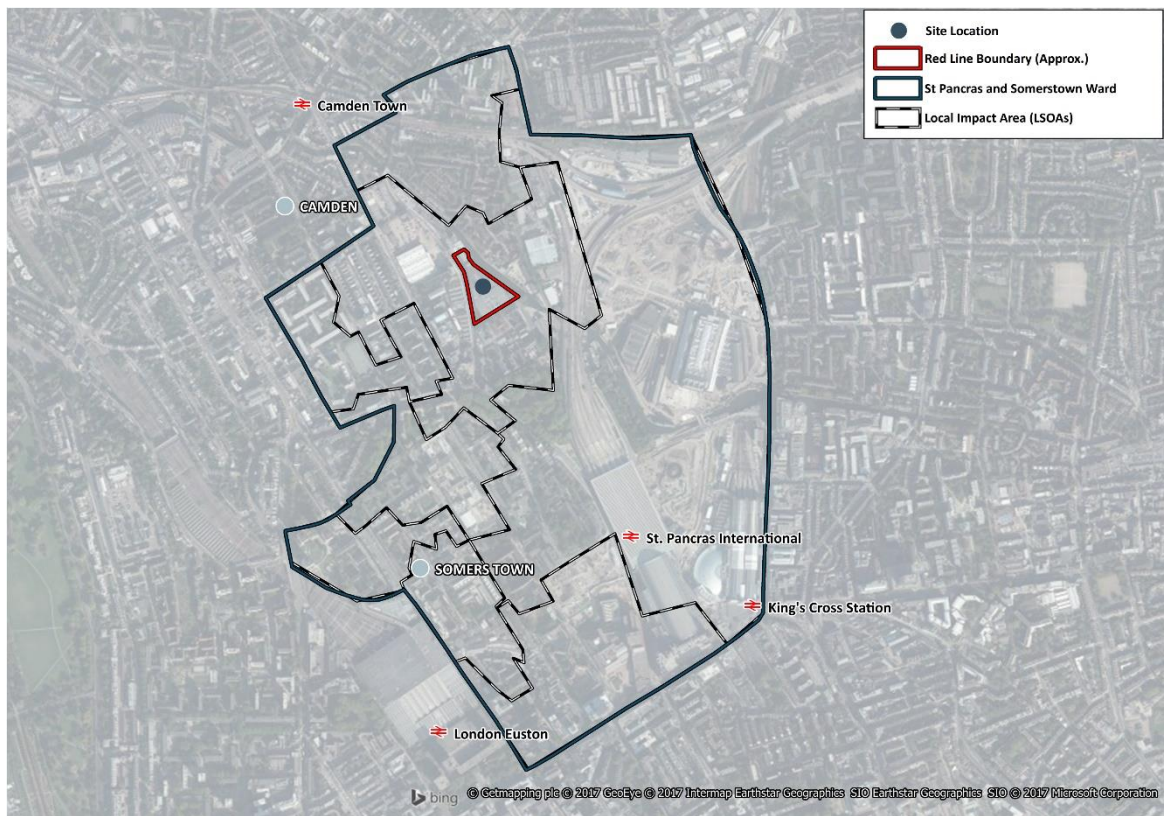


Source: Bennetts Associates

2. Socio-Economic Context

2.1 This section establishes a baseline for considering the impacts of the Proposed Development by examining current economic conditions and recent trends in the local impact area (LIA - ward of St Pancras and Somers Town¹) and within the London Borough of Camden. The key points are summarised below.

Figure 1.3 Context Map



Source: Regeneris Consulting

Policy Background

2.2 The area in which the Proposed Development is situated is of notable significance in policy terms. Whilst St. Pancras and Somers Town is recognised as being one of the most deprived wards within the London Borough of Camden (LBC), St Pancras itself is identified an opportunity area within the **London Plan (2016)** with the potential to **support a minimum**

¹ Containing the Lower Super Output Areas: Camden 019C, Camden 019D, Camden 019E, Camden 022A, Camden 022B, Camden 022C, Camden 022D, Camden 022E

of **25,000 new jobs and 1,900 new homes**. In close proximity, Euston is also identified as an Opportunity Area. St Pancras is also identified as a Growth Area within the **LBC Site Allocations** with a focus on community life and activity as well as providing retail, leisure and employment services. The Local Plan identifies a number of priorities for Somers Town itself, recognising its position at the centre of several growth and opportunity areas. These priorities include the delivery of additional housing as well as jobs and training opportunities.

- 2.3 The relevant policy is explored in more detail in **Section 4** of this document.

Statistical Baseline

Working age population

- 2.4 According to the 2011 Census², the population of the LIA was just under 14,000 having increased by 11% (12,500) since 2001³. The percentage increase mirrors that of the borough (11%), but less than London (14%), and greater than that of England's (8%) growth in the same time period.
- 2.5 The proportion of working age population (16-64 years old) of the LIA is 71%, which is lower than the borough's average (73%) but higher than London (69%) and England (65%). The LIA has a smaller proportion of the population aged 65 years and over (9%) compared to the Borough (11%) and London (14%) and for England (16%). In turn the proportion of those aged 0-15 in the LIA is high at 20%, equal to London's rates, but 4 percentage points (pp) and 1 pp higher than the borough and England, respectively.
- 2.6 The latest population projections are not yet available at ward level. For Camden as a whole, the population was projected to be 253,000 in 2017 which represents an increase of just under 40,000 above 2011 levels. By 2034, the borough's population is projected to increase by 46,000 people (+18%). The majority of this population increase is derived from the working age population (16-64) with an increase of around +26,000 people projected. However, in proportional terms, the older population (65 years and over) is expected to increase by +56% over the same time period; their proportional share of the population will increase from +12% in 2016 to +15% by 2034.

² Office for National Statistics, 2011; Census

³ Office for National Statistics, 2001; Census

Table 2.1 Population and Demographics

		Local Impact Area	Camden	London	England
Overall Population	2011	13,820	220,340	53,012,460	8,173,940
	% Change 2001-2011	11%	11%	14%	8%
	% Working Age (16-64)	71%	73%	69%	65%
Age	% 0-15	20%	16%	20%	19%
	% 65+	9%	11%	11%	16%

Source: Census 2001 and 2011

Levels of Unemployment and Incomes

- 2.7 Headline labour market data for Camden, London and England is set out in **Table 2.2**. Data from the ONS Annual Population Survey⁴ (APS) is not available at the ward level. The data indicates Camden's performance is mixed when compared to the London and national average, on a number of indicators including; economic activity rates and skills levels.

Table 2.2 Labour Market Profile, 2015

		Camden	London	England
Economic Activity	Economic Activity Rates	72%	78%	78%
	Unemployment Rates	5%	6%	5%
Occupations (% employed in...)	Management or Professional Services	70%	54%	45%
	Admin or Skilled Trades	10%	17%	21%
	Care, Leisure, or Sales	10%	14%	16%
	Process or Elementary Occupations	9%	14%	17%
Qualifications*	% Level 4+	61%	50%	37%
	% No Qualifications	6%	7%	8%

Source: Annual Population Survey, 2015 (data is not available below local authority level)

- 2.8 Economic activity rates in Camden are around 72%, according to data from the APS, which is below the average for London (78%) and England (78%). However, the unemployment

⁴ Office for National Statistics, 2016; Annual Population Survey

rate of 5% is slightly below London's average (6%) but equal to the national rate (5%). JSA⁵ claimant count shows in the last decade the number of those claiming fell by -51%, a similar rate to London and England (-54% and -49%, respectively).

- 2.9 Based on data from the Annual Survey of Hours and Earnings⁶ (ASHE), average gross weekly earnings in Camden is £751, above the average for London (£632) and the national average (£545). Over the last decade, the borough has experienced an increase in earnings of around 10% which is above the increase in rates seen in London (4%) and at the national (8%) level.

Demand for housing

- 2.10 The proportion of home ownership in the LIA is 14% which is significantly below the borough (32%), London (48%) and national average (63%). In contrast, the LIA has a much higher private rented sector with 61% compared to 33% for the Borough, 24% for London, and 18% nationally.
- 2.11 In terms of dwelling type, the LIA is dominated by flats with 92% compared to 50% for London and 21% nationally. The trend is, however, similar to Camden's share of flats, 82%. It follows that there is a much lower proportion of detached and semi-detached houses in the LIA with 7% compared to London (42%) and England (55%).
- 2.12 Median house prices in 2016, according to data from the Land Registry, were £750,000 for the borough, which is well above the London average (£425,000) and national average (£218,000).
- 2.13 Local Policy⁷ identifies the need to accommodate 16,800 additional dwellings by 2031, or 1,120 per annum over the period 2016-2031.

Employment Trends

- 2.14 Headline data for the economic conditions within the LIA are set out in **Table 2.4**. According to the most recent Business Register and Employment Survey⁸ (BRES), the number of jobs in the LIA was around 24,000. Over the last five years the number of jobs in the LIA has

⁵ JSA is limited to March 2016; due to changes in the benefit system and the introduction of the Universal Credit in Camden (for single people only) after this date.

⁶ Office for National Statistics, 2016, Annual Survey of Hours and Earnings

⁷ LB Camden (2017), 'Local Plan 2016-2031', Camden

⁸ Office for National Statistics, 2015; Business Register and Employment Register

increased by nearly 50% (8,000) which surpasses the employment growth rate experienced by Camden (14%), London (14%) and in England (8%).

		LIA	Camden	London	England
No. of Jobs		24,000	339,700	4,889,300	24,866,600
Change Between 2011-15	No.	7,800	42,000	585,600	1,793,400
	%	48%	14%	14%	8%

Source: BRES 2015 and 2011

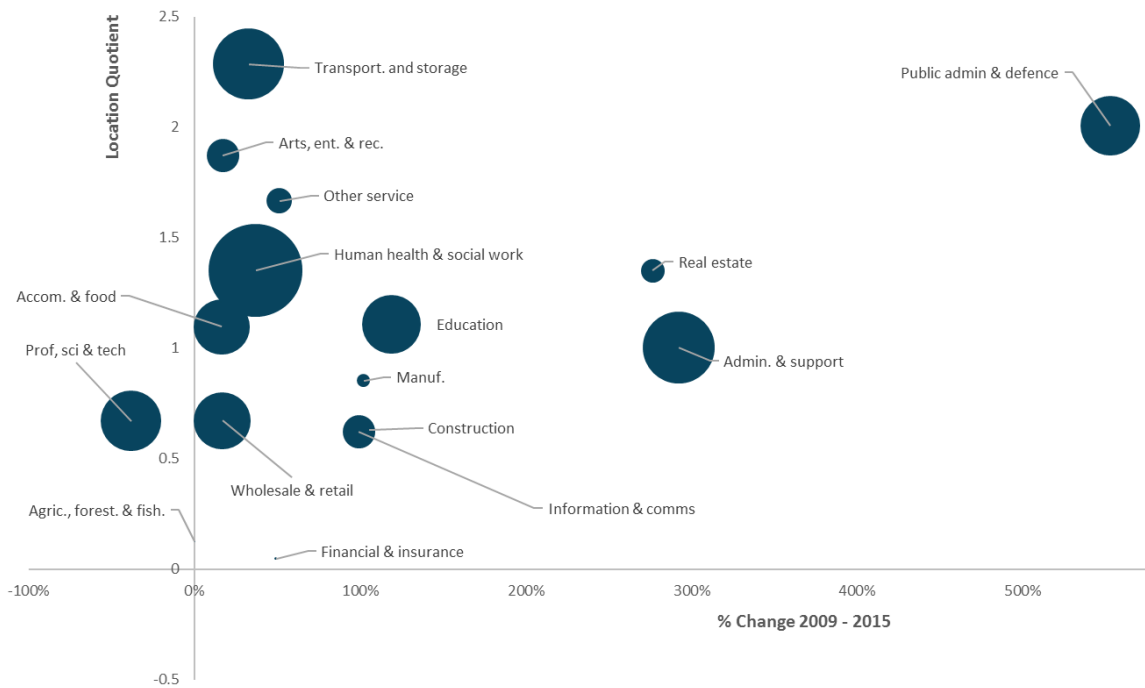
2.15 Figure 1.4 below summarises the LIA's employment profile. In summary:

- the largest employment sectors in the LIA include human health and social work activities (3,300, 14%), admin and support services (2,600, 11%), transport and storage (2,600, 11%), professional and technical services (2,200, 9%), public admin (2,100, 9%), Education (2,100, 9%), wholesale (2,500, 8%) and accommodation and food (2,000, 8%). Camden is broadly similar although the professional and technical service sector is much larger; the transport and storage, and public admin sectors are much smaller. Additionally, the information and communications sector is a further key sector.
- the dominance of the human health and social work sector can be accounted for by the presence of St. Pancras Hospital, this is reflected in the location quotient⁹ of 1.4. The proximity of St. Pancras International and King's Cross train stations, and King's Cross underground station, explains both the size of the transportation and storage sector (11%) and high location quotient of 2.3 in the LIA. Other sector specialisms for the LIA include public admin (LQ 2.0) and arts, entertainment and recreation (LQ 1.9).
- between 2011 and 2015 the LIA has seen strong growth in percentage terms within several sectors. The fastest growing sector was in public administration and defence growing from 300 to 2,100 employees in the period, representing a +550% increase in size. Other fast-growing sectors included admin and support where employee number rose by 300%, real estate by 277%, education by 120%, and both construction and manufacturing by 100%. Conversely, the professional, scientific

⁹ A Location Quotient (LQ) is a measure of concentration of activity in one area, compared to another. In this case sector characteristics in Edenbridge have been compared to England where a LQ of higher than 1.0 indicates a higher degree of specialisation in the area.

and technical sector has reduced in size from 3,600 in 2011 to 2,200 in 2015, equal to a decrease of 38. The sector still remains one of the largest, representing 9% of the LIA's total workforce.

Figure 1.4 Employment Change & Location Quotient (2009 – 2015)



Source: BRES Data 2009 – 2016. Regeneris Consulting. Note – Size of circles reflects the number of people employed within the sector

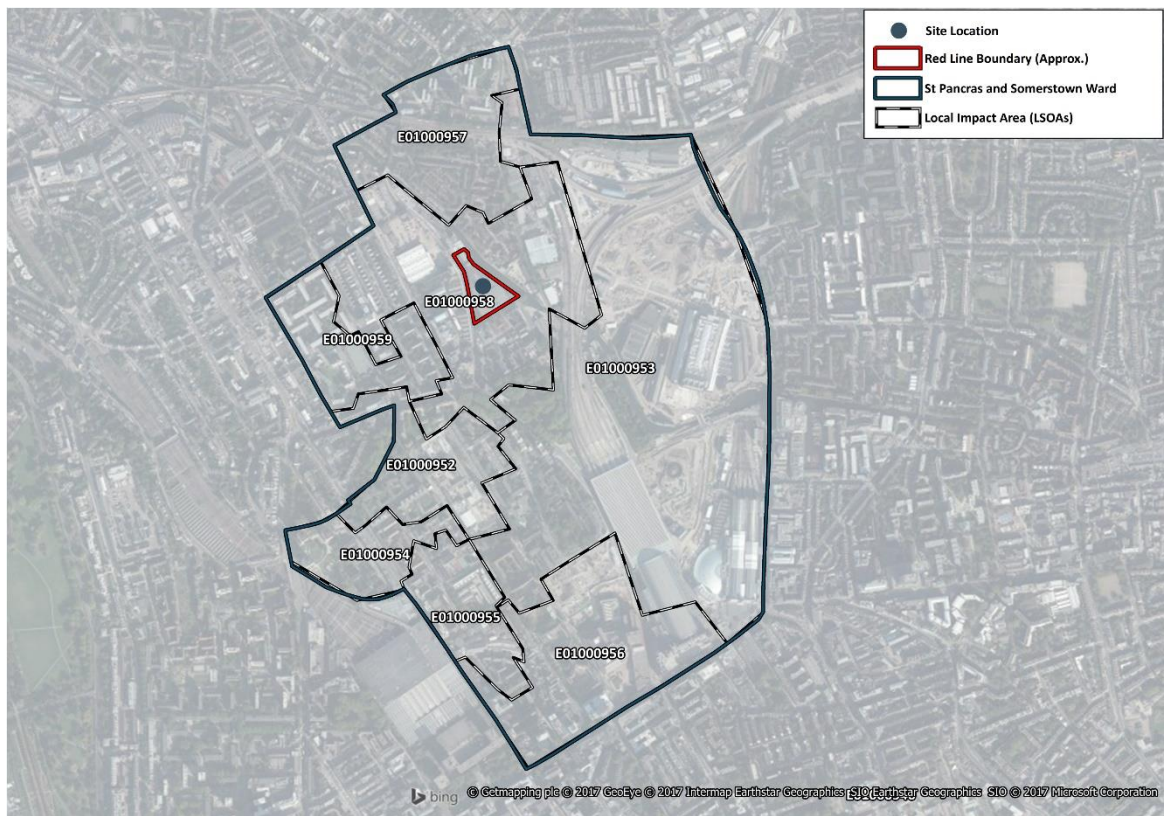
Workforce Skills

- 2.16 Camden has a higher than average level of skills when compared to London and national level. The proportion of those employed in “Managerial and Professional” occupations in Camden, 70%, is 16pp (percentage points) and 25pp higher than London and England, respectively. Those working in “Care, Leisure, or Sales” and “Process or Elementary” occupations, 10% and 9% respectively, are less than the respective London and national rates.
- 2.17 APS data shows 61% of Camden’s population possess NVQ Level 4+ qualifications. This is a better representation when compared to the London (50%) and national (37%) level.

Deprivation Levels

- 2.18 The Index of Multiple Deprivation¹⁰ (IMD) measures relative deprivation levels across small areas referred to as Lower Super Output Areas (LSOAs) for a range of deprivation domains. The lowest 10% represents the most deprived in the county whilst 100% represents the least deprived areas nationally. The ward the Site sits in extends across multiple LSOAs¹¹ (as shown in Figure 1.5) which rank in the 1st, 2nd and 3rd decile on the overall IMD rank.

Figure 1.5 St. Pancras and Somerstown - LSOAs



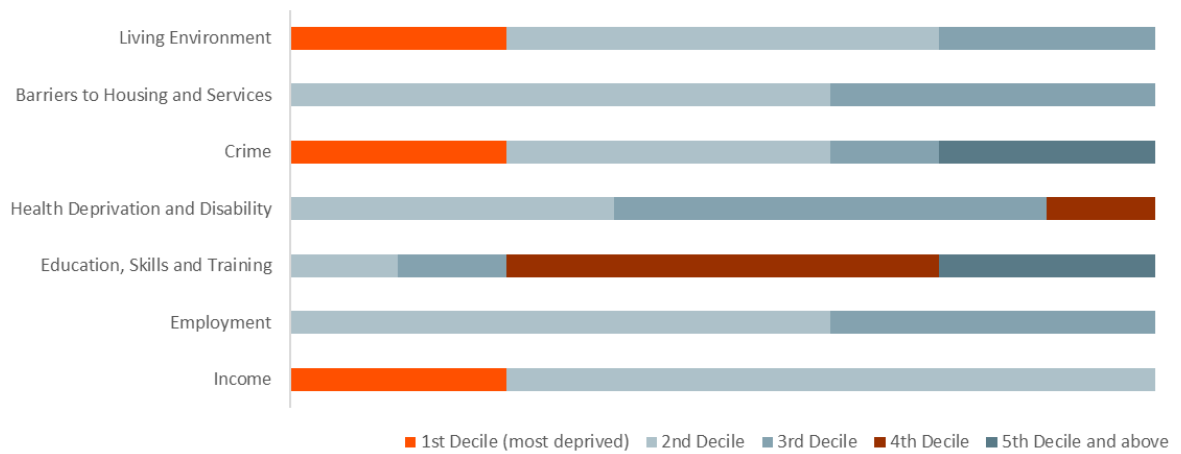
Source: Regeneris Consulting

- 2.19 The domains with the least severe levels of deprivation were in education, skills and training, and health which ranged from the 2nd to 5th decile, and 2nd to 4th decile, respectively. The more severe deprived domains were in crime, living environment, and income with several of the LSOAs in the 1st and 2nd deciles.

¹⁰ Department for Communities and Local Government, 2015; English Indices of Deprivation

¹¹ Containing the Lower Super Output Areas: Camden 019C, Camden 019D, Camden 019E, Camden 022A, Camden 022B, Camden 022C, Camden 022D, Camden 022E

Figure 1.6 Domains of Deprivation – St Pancras & Somers Town LSOAs



Source: English Indices of Deprivation 2015, Regeneris Consulting

2.20 Deprivation relating to crime and housing are also domains where more than half the local LSOAs are in the 10% most deprived.

3. Estimation of Economic Benefits

- 3.1 This section sets out the estimated economic benefits that could be realised from the Proposed Development. These have been calculated using industry accepted methods, aligned to the HMT Green Book and HCA guidance on valuing benefits.
- 3.2 Further detail on the methods applied can be found in Appendix A.

Existing Uses on Application Site

- 3.3 To establish the gross additional economic benefits associated with the development, it is first important to establish the existing activity on the site.
- 3.4 The existing uses on site consist of a largely vacant unit of over 2,300 sq m, the HQ offices of Ted Baker and the Verizon Data Centre. Using floorspace areas provided by Bennetts Architects and standard employment densities, Regeneris estimates there to be around 630 existing FTEs on site generating around £43 million in Gross Value Added (GVA).

	GIA (sq m)	Estimated FTEs	Estimated GVA
Vacant	2,355	-	-
Ted Baker	7,332	600	£40.2m
Verizon Data Centre	16,503	30	£3m
Total	26,190	630	£43.2m

Source: Bennetts Architects; Regeneris

Future Construction Impacts

- 3.5 The Proposed Development will have direct economic impacts in relation to the number of jobs it will support during construction. The cost of the Proposed Development is estimated at approximately £153m over a six-year period. This excludes the price of the land and any Section 106 contributions but includes preliminaries and external infrastructure works.
- 3.6 Based on HCA Labour Coefficients¹² and output per £1m investment, it is estimated that the construction of the Proposed Development will require around 2,400 person years of

¹² HCA Calculating Cost Per Job – Best Practice Note 2015 (3rd Edition)

employment, equating to around 400 construction workers per year for the six-year duration. In addition, there is the potential to create a further 280 FTEs via indirect and induced activity as a result of supply chain activity to the Proposed Development. This would give rise to a total of 680 FTEs.

- 3.7 There is potential to draw upon the local labour pool and reduce unemployment in the local construction sector. The latest comparable data shows there were 1,500 people seeking jobs¹³ in the construction sector within London and around 40 within the borough of Camden itself.

Future Operational Impacts

- 3.8 Operational impacts are those which will persist long term as a result of the development.

Housing

- 3.9 The Proposed Development will deliver a total of 69 new homes ranging from 1 to 3 bedroom flats. These would all be additional homes due to there being no existing dwellings on the Application Site. This level of new dwelling provision will contribute to meeting housing need in the Borough and wider area.
- 3.10 The Proposed Development includes the provision of 16 affordable housing including social rented and intermediate two and three bedroom apartments which will help contribute to the Borough's affordable housing targets.

Operational Employment Impacts

- 3.11 The Proposed Development includes a substantial range of mixed uses as follows:
- Up to 5,805 sq m (GIA) of flexible retail, food and beverage space (A1-A4)
 - Up to 55,079 sq m (GIA) of office space (B1)
 - An 87 bed Hotel (C1) of 4,625 sq m GIA
 - A Gym (D2) of 1,376 sq m GIA

¹³ JSA is limited to March 2016; due to changes in the benefit system and the introduction of the Universal Credit in Camden (for single people only) after this date.

- 3.12 These facilities would contribute to local employment opportunities enabling both residents of the Development and in the surrounding area to access new employment opportunities.
- 3.13 Based on the proposed floorspace figures and applying HCA floorspace densities as stated in the methodology, **it is estimated that there would be around 4,030 FTE gross jobs supported onsite (Table 3.2).**

Use	GIA	Conversion	Job Density (Sq m per FTE)	FTEs
Retail (A1-A4)	5,805	NIA (80%)	15	310
Office (B1)	55,079	NIA (80%)	12	3,670
Hotel (C1)	4,625 (87 beds)	Rooms	1 FTE per 3 beds	30
Gym (D2)	1,376	GIA (100%)	65	20
Total	66,885			4,030

Source: HCA Floorspace Densities. Figures are rounded to the nearest 10.

- 3.14 It is estimated the existing development currently supports 630 FTEs jobs, which would suggest a **gross additional increase of around 3,400 FTE jobs** following completion of the Proposed Development.
- 3.15 The Proposed Development could also support a number of indirect and induced jobs via the supply chain, to estimate this a multiplier of 1.1¹⁴ is used. Once this is taken in to consideration, the estimated number of indirect and induced jobs is around 340 FTEs. **Therefore, the total number of FTEs that could be supported by the Proposed Development is 3,740.**
- 3.16 Regeneris has also estimated the Gross Value Added that could be generated by the employment uses of the Proposed Development. Based on data from the latest available Annual Business Survey (ABS) Regeneris estimates the Proposed Development could generate **additional GVA of around £215m** with a further £22m generated from induced and indirect effects.

Household Expenditure

- 3.17 It is estimated that the new residential development would yield approximately 115 residents. This increase in the local resident population would generate further household

¹⁴ Homes and Communities Agency, Employment Densities; 4th Edition (2015) – Multiplier Ready Reckoner for Average Supply Linkages

expenditure in the local area. It is estimated that total expenditure generated from the Proposed Development would equate to c. **£0.6 million per annum in the St Pancras and Somers Town area and £0.8m per annum within the Borough**¹⁵.

- 3.18 Expenditure by households on a full spectrum of goods and services would support jobs in the local area. This would range from weekly spending on food and drink in supermarkets to spending on leisure and transport. The additional expenditure could be enough to support up to 5 FTE jobs within the immediate local area and up to 10 FTE jobs within the London Borough of Camden.

4. Contribution to Regeneration and Competitiveness

- 4.1 The impact and benefit of the Proposed Development will clearly go way beyond it's pure estimated economic benefits. It has been designed to enhance and add value to the wider area and should be seen as a fundamental component of the wider area. This section considers these wider economic and regeneration benefits.

Delivering Against Local Regeneration Policy

- 4.2 The development and the economic benefits which result from this align well with the aspirations set out within local and regional policy, as set out below.
- 4.3 Whilst the site is not located within the King's Cross-St. Pancras Opportunity Area, it is on the immediate periphery and aims to support regeneration policy for this area.
- 4.4 The Proposed Development will address a number of priorities listed in the **Kings Cross – St. Pancras Opportunity Area Planning and Development Brief (London Borough of Camden, 2004)**. The mixed-use design of the development will provide a good blend of housing, retail, leisure, office and open space of high quality design; encouraging lively, safe and attractive street scenes and open space.
- 4.5 Helping achieve objectives such as improved physical connections; through enhanced permeability between King's Cross and Camden Town and unlocking of currently inaccessible canal side.

¹⁵ Based on LB Camden Retail Study, 2013 and desk based research of local retailers and services in the area.

4.6 LBC's aspiration for King's Cross is also echoed in the **Camden Local Plan (London Borough of Camden 2017)** with ambitions of securing high quality and vibrant safe places with a mix of uses; offices, homes, retail, leisure and community facilities. The Proposed development will help address these ambitions whilst supporting the following regeneration priorities, which;

- **integrate with surrounding areas and communities, economically, socially and physically;**
- **create significant job and training opportunities for local people and contributes significantly to the regeneration of neighbouring communities;**
- help to meet the range of housing, education, social and healthcare needs in Camden and beyond;
- **maximise opportunities for walking, cycling and the use of public transport, to and through the area;**
- **improve community safety** and reduce opportunities for crime and antisocial behaviour;
- **protect and enhance features of historic and conservation importance;** and meet the highest feasible environmental standards.

4.7 The **Camden Local Plan (London Borough of Camden, 2017)** also has regeneration priorities for Somers Town, of which the site lies adjacent to. Through high quality and careful design, the Proposed Development will help support the priorities for Somers Town; which include some of the following;

- **Housing**
- **Getting about**
- **Open space**
- **Community safety**

4.8 A **Somers Town Neighbourhood Plan (Somers Town Neighbourhood Forum, 2016)** has recently been adopted which sets out the local communities' vision for Somers Town and the surrounding area. By ensuring Ted Baker remain in the area, the Proposed Development is ensuring that the neighbourhood plan policy of **protecting existing employment sites** is supported.

- 4.9 The flexible commercial space provided on site will help support the Neighbourhood Forum's vision to provide accommodation such as; **small spaces** and **makerspace** for start-ups.

Supporting Jobs and Participation

- 4.10 The improved diversity of activity supported by the Proposed Development will increase the range of opportunities available for people looking to access employment and training in the area.
- 4.11 A more diverse retail and amenity offer in the area as a whole will provide more choice around employment opportunities. The provision of flexible working space which is better suited to modern business needs should help to provide an impetus for inward investment.
- 4.12 Flexible work space and maker space will provide an opportunity for increased enterprise; leading to greater diversity and resilience in the local economy.

Safeguarding Ted Baker HQ in the area

- 4.13 Ted Baker is a significant employer and important tenant in the area. The Proposed Development will not only safeguard existing jobs, it will help generate additional jobs by accommodating the expansion of the Ted Baker HQ and their plans to double their workforce.
- 4.14 Ted Baker are also proposing a new hotel as part of the development, which will enhance the accommodation offer in the area, whilst stimulating the visitor and night time economies.

Providing Flexible Workspace

- 4.15 The Proposed Development will not only support existing tenants, who have an established history in Camden, such as Ted Baker, it will also encourage a more diverse range of businesses.
- 4.16 The flexible design of the commercial and retail floorspace, will ensure the development can accommodate an array of businesses. The design of the commercial floorspace means that it could be tenanted for conventional uses such as office and retail or more contemporary uses such as start-up and makerspace.

- 4.17 This will support LBCs ambition set in the **Camden Local Plan (2017)** to provide conditions to encourage existing businesses in Camden to grow whilst attracting new business to the area.
- 4.18 Furthermore, supporting LBC's outcome of increasing the number of Camden residents employed in new business developments in Camden.

Ongoing Local Engagement

- 4.19 The Applicant has been active in the local area for a number of years and has a proven track record of community engagement projects which include;

Figure 4.1 Pop-up shop Kentish Town



Source: Kentish Towner

Camden.

- **Ted's Extraordinary Diploma** – provides entry level candidates with the opportunity to earn a one-year paid placement based at the Head Office in Camden.
- **Work Experience** – offering valuable work experience to students from local schools which has helped a number of local students gain access to further opportunities.

- **Supporting Local High Streets** – creation of a pop-up shop in a vacant unit on Kentish Town High Street.
- **Improving of Public Realm** – providing street furniture to enhance public realm in the locally in King's Cross.
- **Ted's Historian** – providing specialist support for the History & Modern Languages Department and the Gifted and Talented Programme at Maria Fidelis School in

Figure 4.2 Public Realm



Source: Ted Baker

- 4.20 The Applicant and partners will continue to support a number of projects within the local area. The Application will also work with LBC to ensure that jobs and training opportunities

for local people are maximised through Section 106 contributions for apprenticeships and training.

Delivering an Appropriate Housing Offer

- 4.21 The residential mix for the Proposed Development is detailed below in Table 4.1
- 4.22 The Proposed Development will deliver a total of 69 new homes ranging in size from one bedroom flats to three-bedroom flats, all of which are additional homes for the area. The provision of 69 additional dwellings will make a contribution (6%) to the London Plan annual housing target (1,120 per annum) for LBC and to the wider issue of meeting London’s future housing need.
- 4.23 The proposed development has the potential to deliver a mix of home types and tenures – including a number of affordable units.

Studio/1 Bed	2 Bed	3 Bed	Total
36	24	9	69

Track Record of Delivery

- 4.24 The Applicant has delivered a range of large scale developments, including; commercial, residential, retail and leisure, across London and the South of England.
- 4.25 The Applicant has delivered mixed-use development projects in Clapham, Bow and Aldgate and is currently in the process of regenerating Oaks Shopping Centre, Acton to provide a mixed-use development anchored by a 30,000 sq ft food retail offer, additional retail and leisure units, a new multi-storey car park and 170 residential apartments.

Supporting Retail, Leisure and Amenity

- 4.26 Alongside new commercial and residential space the Proposed Development will offer 5,805m² (GIA) of flexible retail floorspace. The retail floorspace will be flexibly designed to enable a range of retail and leisure uses within the development.
- 4.27 The mix of retail and leisure will complement both a daytime and evening economy and ensure the site is always animated.

- 4.28 With strong retail and leisure destinations at both King's Cross and Camden Town, the Proposed Development would intend to complement rather than compete with these locations.
- 4.29 The Proposed Development aims to attract a mix of convenience and comparison based retailers that work well in London, together with a significant proportion of cafes and restaurants that are likely to be from the smaller London operators some of who will be local to the area.
- 4.30 The retail and leisure provision within the Proposed Development would be different to the offer in both King's Cross and Camden Town and would aim to serve the residents and workforce based in the area. The Proposed Development does not intend to become a destination in its own right but help join-up King's Cross and Camden Town, to enhance Camden's holistic offer as destination.

Effects on Granary Square and Camden Town

- 4.31 Granary Square and Camden Town are strong performing destinations within Camden, however the impacts the Proposed Development may have on the area need to be acknowledged.
- 4.32 The Proposed Development is intended to complement and link both destinations, rather than compete. The Proposed Development will mainly serve the local resident and work place population and help join up the two destinations.
- 4.33 The design of the development, will open-up a new route between Granary Square and Camden, improving permeability between the sites. Figure 1.7 shows how the development intends to unlock additional routes.

Figure 1.7 East / West Connections



Source: Bennetts Associates

Creating a Stronger and Diverse Business Base

- 4.34 Ensuring Ted Baker remains onsite, whilst supporting further expansion of the business will only strengthen the local economy and is major economic benefit. However, the mixed-use nature of the Proposed Development supporting; office, retail and leisure uses will help diversify the economy and the business base within the area, which is a priority within the **Camden Local Plan (2017)**.

Supporting a Mix of Businesses

- 4.35 A key design feature that will be integrated into the Proposed Development is the flexibility of the employment floorspace. Dependent on the potential tenants and their needs floorspace dimensions can be altered to accommodate a range of uses. By providing this flexibility the Proposed Development will;
- support businesses of all sizes in particular start-ups, small and medium sized enterprises;

- maintain a stock of premises that is suitable for a variety of business activities, for firms of differing sizes, and available on a range of terms and conditions for firms with differing resources;
- support local enterprise development, employment and training schemes for Camden residents;
- encourage the concentrations of professional and technical services, creative and cultural businesses and science growth sectors in the borough;

4.36 The aforementioned objectives are detailed in the **Camden Local Plan 2017 (Policy E1)**.

Labour Market Benefits of New Housing

4.37 New housing supply can play a key role in the flexibility of the local labour market which itself can support local business and local economic competitiveness. This is because a shortage of housing or a lack of affordability can act as a barrier to people accessing employment opportunities or result in long-distance commuting with adverse transport and environmental impacts.

4.38 It is estimated that up to 70% of residents from the Proposed Development would be of working age (aged 16-64), of which 75-80% would be expected to be in employment. This would represent a potential increase of 0.85% of the current working age population.

4.39 Residents of the Proposed Development would be expected to bring skills and qualifications ranging from basic to advanced levels. Similarly, they would be expected to work in an extensive range of occupations, from elementary and semi-skilled to higher managerial and professionals. It is estimated that up to 30 (over 45%) of residents in employment would potentially be employed in higher value skilled occupations (higher managerial and professional occupations), contributing to the local policy objectives of improving the area's skills profile and the workforce available for existing and new local companies.

Creating a Better Place

4.40 The Government has previously recognised the contribution of quality of place upon economic vitality (World Class Places: Government Strategy for Improving Quality of Place, 2009). In London, where many town centres compete with each other to secure investment, high quality public realm and a strong amenity offer have been seen as critical to underpinning local economic success.

- 4.41 The existing development, is referred to as the Ugly Brown Building. The building occupies a large, single space with little permeability. The current design of the site means that the canal side is inaccessible with limited public space and no active frontages.
- 4.42 The Proposed Development not only intends to help regenerate the immediate local area, it proposes to support and complement the regeneration of the nearby King's Cross-St. Pancras Opportunity Area.

The importance of Public Realm and Legibility

- 4.43 The contemporary design of the Proposed Development will incorporate a number of active frontages which will animate the area and encourage footfall, in an area where this is lacking. The mixed-use nature of the site, which includes; office, retail, residential and leisure will mean that the development will be lively and vibrant during the day and the evening.
- 4.44 This increased activity and improved design will help reduce crime and improve safety in the area, which is a key priority for LBC.
- 4.45 The Proposed Development also aims to provide greater public space; through the integration of a public square at the centre of the development and unlocking the canal side, which is currently inaccessible.
- 4.46 Ultimately, this will ensure that the new development is connected and 'joined-up', preventing isolation and enhancing the overall offer of Camden as a destination.

5. Summary of Benefits

5.1 This section provides a short summary of the economic and wider regeneration benefits associated with the development.

Summary of Economic Impacts of the Development

- **2,400 person years** of construction employment equating to **c. 400 construction workers per year** over a 6-year construction period
- **69 new homes**, contributing to the need for new housing in LB Camden and London as whole
- An additional **115 residents** with an estimated **25 to 30** (over 45%) economically **active residents** employed in **higher value skilled occupations** (higher managerial and professional occupations), contributing to the local policy objectives of improving the area's skills profile
- Up to **4,030 FTE** gross jobs supported on Site following completion. With an estimated 630 FTE jobs provided currently and any multiplier effects it is estimated there would be **3,740 gross additional** jobs on site.
- **Additional GVA** of around **£215m** generated by the Proposed Development once fully operational.
- It is estimated that **total expenditure**¹⁶ generated from the Proposed Development would equate to **c. £0.6 million** per annum in the St. Pancras and Somers Town ward and **£0.8 million** per annum within the Borough.

Summary of Wider Regeneration Benefits

- A more diverse range of jobs in employment space which better meets the needs of the modern London business
- A diverse retail offer, supporting local independent traders alongside larger, more established retailers

¹⁶ To ensure there is no double counting; household expenditure and GVA cannot be combined and are both separate measures of economic impact.

- An offer that complements the ongoing improvement and aspirations for King's Cross
- Spaces for potential new business and start-ups
- A more diverse and highly skilled labour market to support local businesses
- Improved environments to contribute to local wellbeing and enable links between Camden Town and King's Cross
- Better public realm providing links to the neighbouring areas and other locations within the area
- Increased animation of the Site during the daytime and evening time improving safety in the local area.

Appendix A - Method for Calculating Future Impacts

A.1 Our approach to assessing the socio-economic impacts of the Transformation of the Ugly Brown Building Scheme has included consideration of the following:

- **Consideration of economic and social baseline conditions:** a comprehensive overview from a data and policy perspective, of existing socio-economic conditions and challenges for both the local area and London Borough of Camden
- **Assessment of construction impacts:** HCA Labour Coefficients (person years of employment per £1m spend) are applied to the forecast construction costs.
- **Employment generation from completed development:** the HCA Employment Densities Guide (2015) has been used to calculate the likely number of full time equivalent (FTE) jobs that would be supported by each type of space as set out in the schedule of non-commercial floorspace uses. Net impacts have been arrived at taking account of existing employment levels.
- **Additional effects:** existing on-site employment levels have been assessed using HCA Employment Densities; these have then been deducted from the gross future employment levels. To assess multiplier effects, HCA additionality guidance¹⁷ has been used.
- **Operational Population and Labour Market Impact:** DCLG Survey of Housing in England data has been used to estimate the total number of people living in different size dwellings and UK Census data to estimate the likely proportion that are working age and in employment (depending on whether they reside in affordable or market housing). To estimate the skill level of residents, Census data has been used to identify other locations in the area which have a similar mix of dwelling sizes to the Proposed Development. This profile has then been applied to the new population of the Proposed Developments.
- **Household Expenditure Impacts:** impacts have been calculated using Regeneris's bespoke housing impact model. The impact model estimates the likely income of households in the Proposed Development based on the breakdown of house types

¹⁷ Homes and Communities Agency; Additionality Guide, 3rd Edition, 2015



and the likely price range of each house type. For each income group, the typical expenditure on different categories of goods and services has been determined using the ONS Family Expenditure Survey. For each category assumptions are applied regarding the proportion of spend spent locally and the proportion spent in the Borough. The model then deducts indirect taxation to arrive at a figure for total spend, and convert this to jobs using an estimate of output per full time equivalent employee in different sectors (from the UK Business Survey).

- **Demand for Community infrastructure:** community infrastructure impacts have been assessed with reference to information on the development population (see above) together with information on existing community infrastructure provision and capacity (assessed as part of the baseline).

A.2 Our assessment has considered a range of socio-economic impacts at two geographical levels:

- Local Impact Area (LIA) – primarily defined as the St. Pancras and Somers Town ward
- Local authority level – covering the London Borough of Camden as the local administrative area.





REGENERIS

www.regeneris.co.uk

London: 0207 336 6188

Manchester: 0161 234 9910